

8. Under the CAPM, at what common points do the security market lines of individual stocks intersect ? Explain the CAPM.
9. Why is the asset allocation decision the most important decision made by investors ? Explain.

MP-501

June – Examination 2022

Master of Business Administration (IInd Year) Examination

**SECURITY ANALYSIS AND PORTFOLIO
MANAGEMENT**

Paper : MP-501

Time : 1½ Hours]

[Maximum Marks : 80

Note :- The question paper is divided into two Sections A and B. Write answers as per the given instructions.

Section-A

4×4=16

(Very Short Answer Type Questions)

Note :- Answer any *four* questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries 4 marks.

1. (i) Why investments are Important ? Give any *two* reasons.
- (ii) What do you mean by Secured and Unsecured Debentures ?
- (iii) What do you mean by National Savings ?
- (iv) What do you mean by Valuation of Security ?
- (v) What is Dividend Capitalisation ?
- (vi) What do you mean by Systematic Risk ?
- (vii) What is Fundamental Analysis ?
- (viii) How to manage the risk in Portfolio ?

Section-B **4×16=64**

(Short Answer Type Questions)

Note :- Answer any *four* questions. Each answer should not exceed **200** words. Each question carries 16 marks.

2. What are the advantages of placing money in the bank deposits ? Discuss some of the new innovative deposits in the banks.

3. There is a close relationship between savings and economic growth. Critically examine.
4. An investor holds a debenture of ₹ 100 carrying a coupon rate of 12% p.a. The interest is payable half-yearly on 30th June and 31st December every year. The maturity period of the Debenture is 6 years and it is to be redeemed at a premium of 10%. The investor's required rate of return is 14% p.a. Compute the value of the debenture.
5. What is the function of Stock Exchange ? How it helps in capital formation in Economy ?
6. Name some of the well-known national and international stock indices and explain their method of construction.
7. "Economic-Industry-Company (EIC) framework provides a useful approach in equity investment decision." Explain and illustrate.